

CHAPTER TWELVE

ECONOMIC DEVELOPMENT/NONRESIDENTIAL NEIGHBORHOOD AREAS

GOAL: *Develop a sustainable economic base by retaining and attracting business while balancing the needs of both the business and residential communities, and considering the effects of economic development on the environment and history of the City.*

POLICIES

1. Attract businesses that will yield the highest economic benefits to the City and its citizens without accruing negative environmental issues or stressing the resources and infrastructure that support them.
2. Ensure compatibility of industrial and commercial uses with nearby residential areas.
3. Encourage an appropriate balance of office, retail, industrial and residential uses and an emphasis on mixed-use development.
4. Encourage commercial redevelopment.
5. Create and encourage diversity and opportunities for small businesses to locate in Rockville.
6. Encourage increased transit utilization, improved traffic circulation and better pedestrian and bikeway access and circulation.
7. Promote local tourism as a tool for economic development.
8. Foster continued cooperation/coordination between the City, Board of Education, and other educational institutions to maximize workforce development opportunities.

INTRODUCTION

Economic development is a means of strengthening Rockville's valuable, existing economic base while providing a balanced commercial mix and a diversified economy. It is a requirement to support and implement the State's Smart Growth visions as outlined in the Introduction of this Master Plan.

Local businesses and industries help to sustain and improve the quality of life of citizens by providing a wide variety of jobs, contributing to the tax base, and promoting a positive image for the City. Rockville benefits from its favorable location in the center of Montgomery County and its role as the seat of the county government. The City is part of a high-quality regional transportation system, enjoys a highly educated workforce, and is home to an unusually wide variety of retail establishments. There is an abundance of residential choices, from apartments and condominiums to townhouses and single-family detached homes that range broadly in cost. Rockville enjoys proximity to the federal government, several institutions of higher education, and a large consumer



and client base. These factors have all been significant in the City's success in attracting and retaining diversified, growing businesses, and promoting economic development.

The City adopted an Economic Development Plan in 1992 to guide economic development efforts. In 1997, the Mayor and Council created the Greater Rockville Partnership (GRP), a nonprofit economic development corporation. The GRP is a public/private entity that is fully funded by the City of Rockville and provides assistance to current and potential Rockville



businesses. The GRP's functions are to (1) promote the competitive advantages of the City and its business climate and (2) strengthen and broaden the economic base of the City. The mission of the GRP is to "enhance Rockville's ability to attract new business and keep existing businesses by launching an aggressive program of promoting the competitive advantages of Rockville and its business friendly environment" (GRP Plan of Action, Fiscal Year 2000). For companies new to Rockville, the GRP provides assistance in site

selection and fast track development and is a source for demographic and real estate data and trends, inventories of available space, workforce development, and financing. The GRP also encourages business retention and expansion and promotes international business development. Since its inception, the GRP has built numerous partnerships between business and government, promoted a positive public image, helped improve the competitiveness of local industry and business and helped to convert unused or underutilized space into productive property.

Rockville has a strong business base and has moved toward balanced growth between the commercial and residential sectors. Rockville is well positioned to attract and retain businesses which will produce large tax revenues and have minimal negative environmental impact on the community. Additional tax revenues allow the City to maintain its high quality of life standards. Commercial properties generally pay more in taxes per square foot of land than residential properties. Commercial development typically generates net revenues primarily from real property taxes. Unlike residential development, it does not place significant demands on local services, except for transportation improvements which are typically shared with federal, state and County governments and the private sector. High technology and bioscience companies, which tend to be equipment intensive, also yield high personal property taxes.

Montgomery County and the City of Rockville have gained worldwide recognition over the last decade as centers for bioscience and high technology companies and resources. These types of business require a well-educated, trained workforce; access to infrastructure including fiber optic lines and reliable electrical service, proximity to related federal agencies, connections with universities and other firms in the industry, access to transit and the highway system; visibility; and adequate, well-equipped space. Bioscience is considered to be in a rapidly accelerating growth phase, similar to where the electronics industry was



in the mid-1970s, making it a very attractive industry for the City. This Plan strongly supports the continued location and expansion of high technology and biotechnology businesses in the City.

Incentives to attract new business include the Real and Personal Property Tax Credit and Rockville's Quick Start Program. The Real and Personal Property Tax Credit is offered on a case by case basis, particularly to offices that are 60,000 square feet or more that are expanding by at least 5,000 square feet and employ at least 25 individuals. If a business entity meets the requirements and applies for the tax credit, the City may grant a tax credit against real and personal property taxes for a period of six taxable years. In addition, Montgomery County has a number of programs to assist growing and expanding companies.

Currently, Rockville's Quick Start Program allows construction and/or interior demolition to begin on tenant fit-up work once an agreement has been signed, permits applications have been received, and other conditions have been met. Construction may proceed prior to the issuance of construction permits.

The City has also worked to improve its development review process so that the length of review time is shortened and communication between the various departments that must review a site plan application is facilitated.

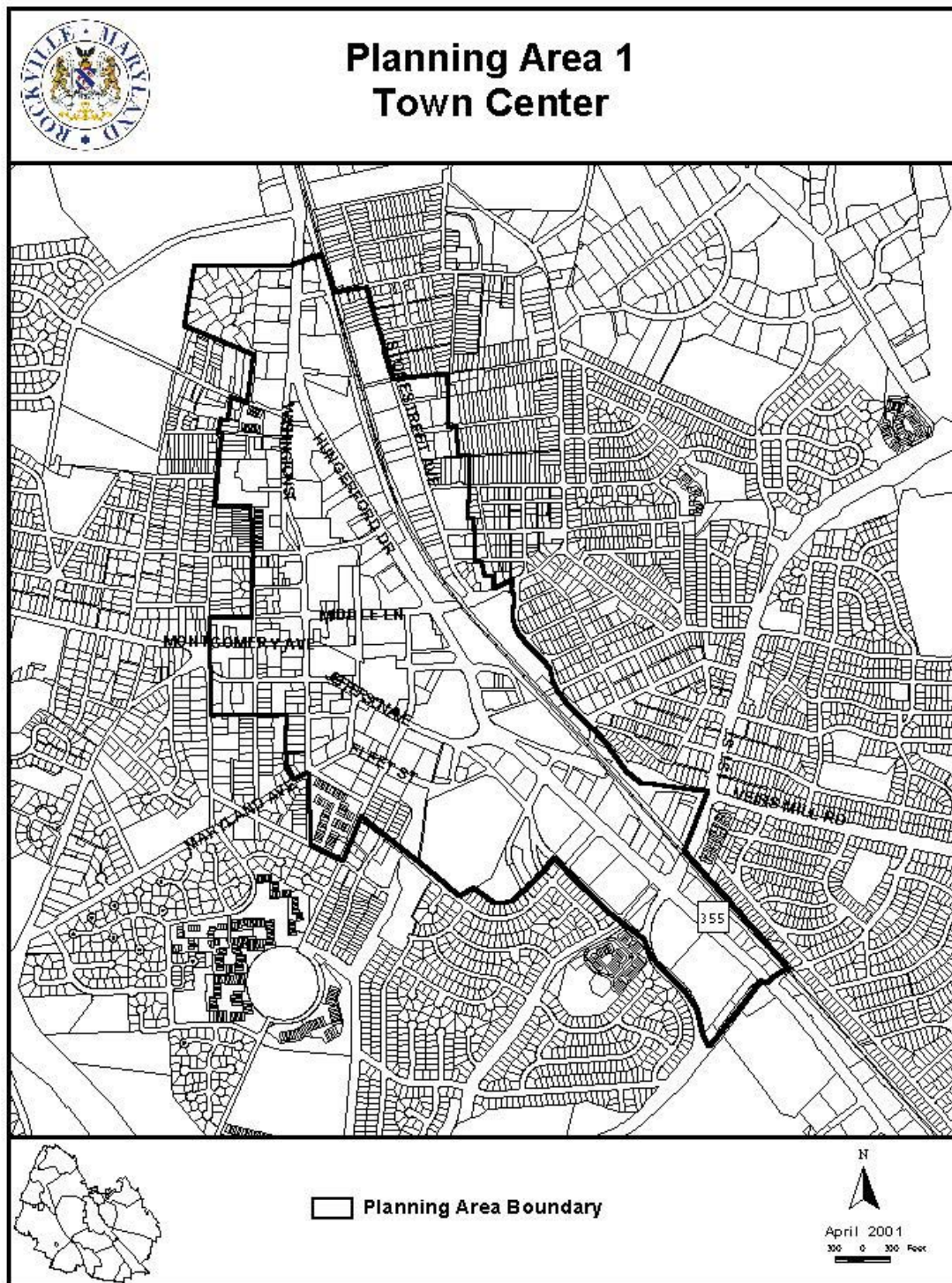
There are several types of office space in the City. The majority of space is either in individual buildings as found in Town Center and along Rockville Pike, or in campus-like office parks, such as in the I-270 area. There is also a good selection of office condominiums and other alternatives.

The type of space required by bioscience companies varies from industrial/warehouse buildings to one- or two-story flex space to mid-rise office buildings. Laboratory space is typically housed in flex space. Research laboratory space can be very expensive relative to other types of space, and costs of finishing and equipping a research laboratory can be many times the cost of interior finish for low-rise office space, yet it is in high demand. Low-rise flex space is also more land intensive than office buildings with many floors. Laboratory space is suited most to the Southlawn/Redgate, Research/Piccard, and Falls Grove areas.

The amount of land available for commercial construction has increased in recent years with the annexations of the King Farm and Thomas Farm. These properties are being developed with a mixed-use concept. The commercial components of these developments are devoted primarily to office and research and development uses for which there has been pent-up demand for space. The residential components include a range of housing types and prices which will help to attract needed labor supply. Other opportunities for creating low density office and flex space include redevelopment and infill and annexation of light industrial zoned property in the Southlawn area.

Recommendations

1. Continue to aim for balanced growth between the commercial and residential sectors.
2. Encourage the location and expansion of high technology and biotechnology businesses in the City through recruitment, retention and incentive programs.
3. Ensure that the zoning regulations allow flexibility to accommodate various types of development, including lab space required by the biotechnology industry.



PLANNING AREA 1

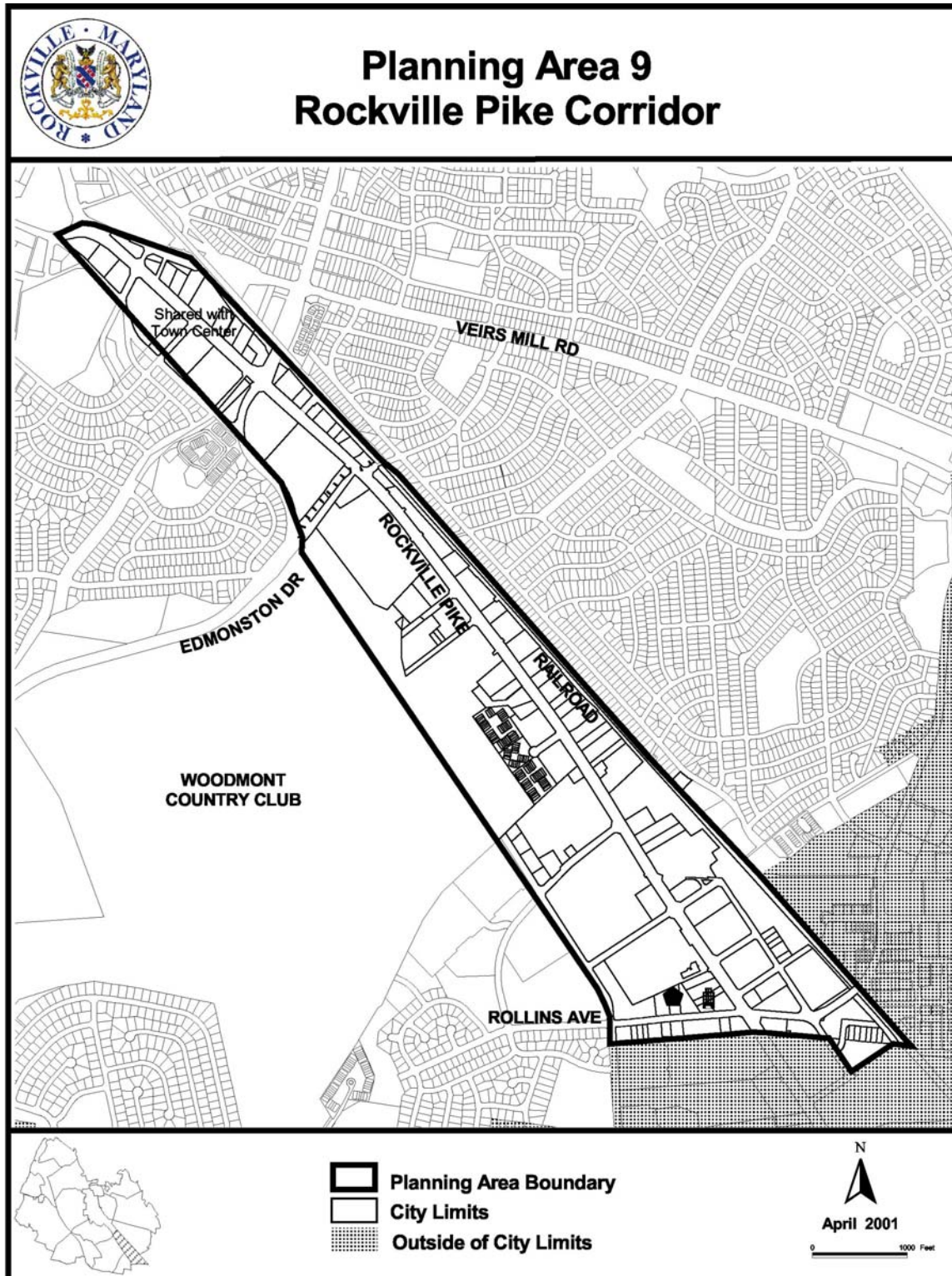
TOWN CENTER

CURRENT CONDITIONS

The Town Center Planning Area is located in the geographic center of the City and is the focal point of the City. It is comprised of 438 acres. The executive, legislative, and judicial branches of the Montgomery County government are located in the Town Center, as well as the offices of the Rockville City government. Businesses that support the government services, commercial offices, retail establishments, housing, cultural and recreational attractions, historic sites, and other institutional uses are also present. Town Center is the neighborhood commercial center for several adjacent neighborhoods, including West End, Lincoln Park, Hungerford and Croydon Park. An industrial area is situated within the Town Center Planning Area along North Stonestreet Avenue, east of the Metrorail/CSX tracks, and adjacent to the Lincoln Park and Croydon Park neighborhoods. A major asset for Town Center is its proximity to the Rockville Metrorail Station. This proximity is particularly important given the parking constraints in the area created by ongoing construction and by the confluence of state, county and local jurisdictions that together absorb a large percentage of available parking.

A comprehensive plan for Town Center was completed in 2001. This Master Plan will adopt by reference the *Town Center Master Plan* and its recommendations.





PLANNING AREA 9

ROCKVILLE PIKE CORRIDOR

CURRENT CONDITIONS

This area encompasses 258 acres along the south central spine of the City. It is bounded by Maryland Route 28 on the north, the Metrorail/railroad tracks on the east, and the City's corporate limits on the south. Fleet Street, Wootton Parkway, Woodmont Country Club and East Jefferson Street form the area's western border. The Rockville Pike Corridor is primarily a retail center, with some office and residential development. Rockville Pike is often referred to as Montgomery County's "Main Street". Although more than half of Rockville Pike is located outside of the City limits, the portion within the City contains approximately 1.7 million square feet of retail space (GRP databook). The Pike's retail uses include furniture stores, specialty shops, restaurants, car dealers, and computer stores and draws consumers from throughout the metropolitan area. The Pike also contains more than 1 million square feet of office space as well as residential units within the City limits.



The Rockville Pike Corridor Neighborhood Plan was adopted in 1989 at which time the majority of the corridor was rezoned under a new classification, Rockville Pike Commercial (RPC), in order to promote mixed uses. The RPC Zone permits office, retail and residential uses. It has a base floor area ratio (FAR) of 0.35, which is an average of the development that existed on Rockville Pike at the time the Plan was adopted, and a 35-foot base height limit.

The RPC zone promotes high quality commercial development and the preservation of retail uses under an optional method of development. The optional method permits development in excess of 0.35 FAR and 35 feet in height when the development conforms to more stringent development controls. The RPC zone requires that not more than 25% of the gross leasable area of any building be devoted to office uses in the base zone. Under the optional method, the maximum height is 75' with a maximum FAR of 1.0 and a minimum of 75% of the gross leasable area of the ground floor of any building must be devoted to retail sales.

A Metro Performance District was established near the Twinbrook Metro station to increase development near the Metro station above the rest of the Corridor and to encourage increased transit utilization. Within this district, properties may develop to 1.25 FAR under the Optional Method of Development. A 1.5 FAR may be achieved if residential uses are included. Properties may develop to a maximum of 1.0 FAR outside the Metro Performance District. Specific recommendations for the Metro Performance District are provided in the Land Use chapter under critical areas. The maximum heights are 75' for office and 110' for residential.

The RPR zone was developed as an element of the Rockville Pike Corridor Plan. The RPR zone allows 60 dwelling units per acre and sets a height limit of 110 feet for residential buildings. Up to 10% of the gross floor area of buildings in this zone may be devoted to retail sales and personal services. The majority of RPR-zoned property is located along the east side of Jefferson Street at the southern end of the Pike Corridor.

The Mayor and Council amended the Zoning Ordinance in 2000 to prohibit retail establishments larger than 65,000 square feet in total gross floor area in the RPC and the C-2 zones. Design standards for all shopping centers and retail establishments containing more than 25,000 square feet of gross floor area were also established.

Recent development and redevelopment projects along the Rockville Pike Corridor include the Congressional Plaza and Congressional North shopping centers. Several single sites have also been redeveloped and there are other sites that are likely to redevelop, primarily in the Metro Performance District. The strong economy of the last decade has kept vacancy rates low and shoppers continue to flock to the area. The average sales volume reported for Congressional Plaza, for example, is significantly higher than the national average.

CRITICAL ISSUES

The character of the Pike has evolved from a strip commercial area to a mixture of retail, office and residential uses. The Rockville Pike Commercial (RPC) Zone requirements assure that an ample supply of retail space is available to accommodate a variety of retail uses. A mixture of uses is required in order to reduce dependency on automobiles and to encourage activity beyond normal working hours. The zone ensures that the Rockville Pike Corridor will continue to be accessible to a broad population, including nearby residents, regional shoppers, and office workers. By including a residential component, mixed-use projects are a link between existing housing on or near the Pike and new office and retail uses.

The Corridor's identity as the commercial main street of the City can be fostered through attractive streetscapes and a combination of mixed-use and single-use development. The appearance and design of the Rockville Pike Corridor are guided by the urban design standards and urban design review of the Rockville Pike Plan. These standards will be evaluated to ensure that their implementation is aiding in meeting the Plan's urban design goals.

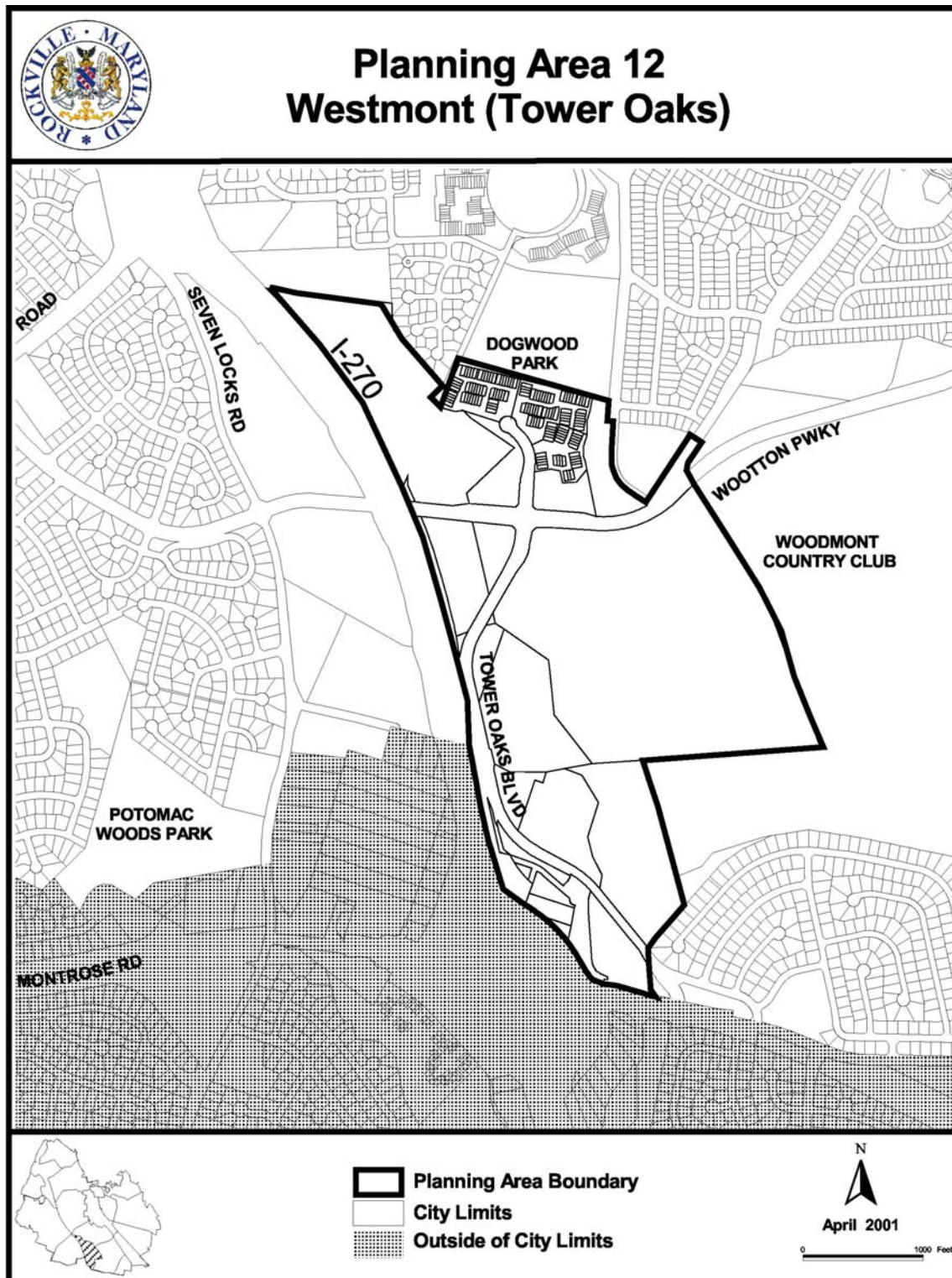
Rockville Pike is a major transportation corridor for Montgomery County. Local commercial, residential and commuter traffic all use the Pike and it continues to be an automobile-oriented environment. Rockville Pike absorbs much of the pressures of increasing traffic volume and congestion as development and redevelopment continues. Continuing analysis is needed to monitor traffic impacts and determine what new road alignments or improvements could be implemented to ease traffic congestion. Opportunities include public transit, pedestrian and bicycle routes.

Pedestrian circulation along the Pike and between retail establishments and public transit presents safety and convenience problems. Pedestrian activity is limited by inadequate sidewalks, heavy traffic volume and vehicular turning movements. The sidewalk system is not adequately connected to the Metro or to major shopping areas. Large front setbacks behind expansive parking lots do not encourage pedestrian use of the Pike, especially for multiple destination trips. The corridor lacks safe and efficient bicycle routes. To improve pedestrian and bicycle circulation options, any proposed development of some or all of the Woodmont Country Club site should also address the feasibility of providing a pedestrian and bikeway connection to the Millennium Trail along Wootton Parkway, and other bikeways designated in the City's Bikeway Master Plan. Limited bike parking capacity at Metrorail stations restricts full utilization of Metrorail. This is a particular problem at the Twinbrook Metro station because it serves as a hub for Metrobus and Ride-On bus routes in the corridor.

Efforts should be continued to increase housing opportunities within the Rockville Pike Corridor, particularly within the Metro Performance District. Inclusion of housing in mixed-use developments is encouraged through the optional method of development provisions in the RPC Zone. The RPR Zone also requires construction of housing.

Recommendations

1. Encourage a mixture of retail, residential, and office uses.
2. Encourage redevelopment and facade improvements of existing structures to improve the image of the Rockville Pike Corridor and enhance its physical appearance.
3. Review the Rockville Pike Corridor Master Plan's design recommendations and recommend changes to the Zoning Ordinance text as necessary.
4. Continue to monitor the traffic impact of the Corridor and implement improvements to ease traffic congestion.
5. Encourage greater public transit use, including Metrorail, ride-on buses, and the Rockville Pike lunchtime shuttle.
6. Improve pedestrian and bicycle circulation routes within the Corridor and encourage their use.
7. Support mixed-use development, with a strong residential component, in the Metro Performance District encompassing the Twinbrook Metrorail Station property.



PLANNING AREA 12

TOWER OAKS

CURRENT CONDITIONS

The Tower Oaks Office Park is a 192-acre tract that comprises the majority of Planning Area 12 and is located along the I-270 Technology Corridor. Two existing sites in the southern portion of the planning area were previously developed for office and light industrial use. Tower Oaks is located one mile southwest of the Town Center and is bounded on the north by the residential neighborhoods of Hungerford and New Mark Commons and Dogwood Park. Woodmont Country Club forms the majority of the eastern boundary. The North Farm residential neighborhood and Montrose Road are to the south and I-270 forms the western boundary. The Falls Road/I-270 interchange is to the north and the Montrose Road/I-270 interchange is at the southern tip of the Planning Area. Wootton Parkway and Tower Oaks Boulevard are the major arterials.

The Tower Oaks development is one of the major sites in the City for office in a campus-like environment. The development will eventually include up to 2.2 million square feet of offices, restaurants, hotels, small conference centers, and health club/recreational facilities.



Tower Oaks is approved for up to 2.03 million square feet of office development. Approximately 461,000 square feet in two buildings are under construction in 2001, with two more office buildings totaling 635,000 square feet approved but not yet under construction. Other development potential in Tower Oaks includes a 25,000 square foot restaurant site, a 75,000 square foot health and recreation facility, a 170-room Residence Inn and a 300-room hotel. Rates for office space in Tower Oaks are slightly less than rates for comparable space in Bethesda and Northern Virginia. Tower Oaks is also attractive to tenants because of its access and visibility along the busy I-270 corridor.

CRITICAL ISSUES

As Tower Oaks continues to build out, the traffic impact of the development will become increasingly apparent to surrounding neighborhoods. Although the traffic improvements required by the developer were constructed more than ten years ago, office development on the site is just underway. The City must be vigilant in monitoring key road connections to surrounding areas as well as internal intersections to ensure that traffic continues to flow

smoothly. In addition, enhanced transit opportunities via Ride-On bus service can help to reduce vehicular traffic levels if the service is convenient for employees in Tower Oaks.

Tower Oaks performs a vital role in signaling Rockville's presence on the I-270 corridor. The scale and massing of the buildings will be reviewed by the City to ensure that the vision for Tower Oaks as a high quality office campus is upheld while the concerns of the surrounding neighborhoods are addressed.

Recommendations

1. Endorse the recommendations of the 1985 Westmont Plan and the relevant portions of the 1993 City Master Plan.
2. Work with the County and private developers to ensure the availability of bus service to Tower Oaks to reduce dependency on automobiles for commuting to the site.



PLANNING AREA 15

RESEARCH/PICCARD/KING FARM/FALLSGROVE

CURRENT CONDITIONS

The Research /Piccard area is part of the Montgomery County High Technology Corridor that stretches along I-270 from Bethesda to Frederick County. It is composed of three industrial parks, including the I-270 Industrial Park, the Washington National Pike Industrial Park, and the Danac Technologic Park. The area is characterized as a science center, and is the location for high technology industries and office facilities. The I-270 Corridor is the high technology and biotechnology center of Maryland. It houses the research and development activities of many nationally known corporations as well as electronic and computer-oriented businesses. The development of a vast fiber optics network convinced many companies to establish regional operations centers along the I-270 Corridor. The Montgomery County Life Sciences Center, a prestigious biotech office park, is located in this area, just outside the City limits.

Zoning in the corridor permits certain commercial service activities, such as banks and restaurants to support the office/industrial development. An open, attractive, well-landscaped environment is prevalent. Minimum five-acre lot sizes are required by City zoning to maintain an open campus setting. There is redevelopment potential in the area on sites that were developed in the 1970s to a lower density than is currently allowed.

Development in the Research/Piccard Planning Area is accessible to I-270 via the Shady Grove and West Montgomery Avenue interchanges and it is located within a mile of the Shady Grove Metro station. A transitway to connect the Metrorail Red Line with Clarksburg is planned to traverse the King Farm development and head north of Shady Grove Road and west of I-270. The City has a contract with the Federal Transit Administration to study the area for increased transit opportunities.

The 430-acre King Farm, bounded by Route 355, Gude Drive, Redland Boulevard and Shady Grove Road, will include more than 3 million square feet of Class A office space. Office development will be concentrated at Irvington Center, at the northern and western portion of the development, adjacent to existing office park development. The first office building was



completed in

December 1999. Approximately 125,000 square feet of retail shopping space and restaurants and 3,200 residential units also will be included at King Farm.

Fallsgrove is a 254-acre Comprehensive Planned Development located on a former dairy farm along West Montgomery Avenue west of I-270. It is bounded by Darnestown Road (Route 28) to the south, Shady Grove Road to the west, and Research Boulevard to the east. Fallsgrove will contain 950,000 square feet of office and R&D space, a retail center, and 1,530 residences.

CRITICAL ISSUES

Several parcels that were developed in the 1970s in the Research/Piccard area are built substantially below the maximum allowable FAR in the zone. As the demand for office and research and development space increases, there will be opportunities to maximize the use of these parcels. The Research/Piccard area is well-suited to higher density office space given its location and visibility in the I-270 corridor. The I-3 Zone contains an optional method of development which allows a greater mix of uses and increased density in proximity to planned or programmed transit stations in order to encourage use of those facilities. Approval of the optional method should be considered only after careful consideration in view of the principles of this Plan and analysis of the impacts on surrounding developments.

The relatively low current density of the office uses and the expansive siting of buildings in the Research/Piccard area make it difficult to provide traditional transit services. A bike path along Research Boulevard is included in the Bikeway Master Plan. Alternative transit options include shuttle services, van and carpools, and transit subsidies. Making transit more accessible to this area will require private employers and property owners to work in partnership with the public sector.

Parcel 870 is bisected by I-270 and Redland Boulevard; Parcel 44 is a 2.09-acre site that is zoned C-2, although it is adjacent to property in the I-3 zone and across the street from the office area of the King Farm CPD (See Map). Changing the property's zoning would be acceptable only if it were combined with an adjacent I-3 property because the site does not meet the acreage requirements of the I-3 zone. While the property is recommended for office use to complement the adjacent office area, the City does not have an office zone that is well suited for this site due to its size and configuration. This site may be appropriate for a new or modified zone that can be applied at a later time. If developed under the provisions of the C-2 zone, it should still be developed with offices, in combination with permitted retail uses on the ground floor or free-standing retail uses. Certain special exception uses, such as an automobile filling station, restaurant with drive-through, or mechanical car wash, would not be appropriate. Any use on the site should be designed to be compatible with the traditional development pattern of the King Farm, and not be highway-oriented toward Interstate 270. Regardless of the use of the property, it should be provided with full access to the adjacent roadway network being developed nearby, including but not limited to, full access to Redland Boulevard.

Both the King Farm and the Fallsgrove developments are being developed in such a way as to reduce automobile traffic by providing a mixture of complementary uses within walking distance of each other. Access to transit will still be necessary to reduce vehicular traffic as residents of these developments will not all work there as well.

Recommendations

1. Amend the development standards of the I-3 Zone to improve transit serviceability.

2. Encourage public-private cooperation in providing alternative modes of transit.
3. Monitor the effects of increased traffic due to redevelopment and new development.

PLANNING AREA 16

SOUTHLAWN/REDGATE

CURRENT CONDITIONS

Service industrial facilities are concentrated in the north-central part of the City. Industrial development has been limited to uses that will have minimal impact on nearby neighborhoods. Rockville does not have a heavy industrial zone. Services permitted in the service/industrial zone include medical and dental laboratories, wholesale businesses, automotive repair and servicing, personal and business services, assembly and processing, and warehousing and storage.

The Red Gate Industrial Park covers 25.6 acres and is zoned for a range of office and industrial uses including general, medical, and professional offices, research laboratories, restaurants, commercial recreational facilities and some retail, wholesale, and light industrial businesses. Biomedical and technological activities at Red Gate are mainly contracted by the federal government. Other research and development activities are supported by both general and specialized computer services located in the area.

Access to the Southlawn and Red Gate areas is along Gude Drive, which connects Maryland Route 28 with the Piccard Drive/Research Boulevard area, and is the core of one of Montgomery County's major industrial areas.

CRITICAL ISSUES

There is a large industrial area located in Montgomery County that is within the City's designated Urban Growth Areas. Development approvals in these areas need to be coordinated with Montgomery County. In 1999, a joint study of the Gude Drive-Southlawn Lane Industrial Area was conducted by the City and the County to establish a policy for determining which properties in this area are appropriate for reclassification from the County's I-2 zone to the City's I-1 Zone after annexation. Following the study, the Montgomery County Council adopted a resolution stating that properties generally east of Gude Drive are not appropriate for reclassification to the City's I-1 Zone and properties generally west of Gude Drive are considered consistent with the City's I-1 Zone and are appropriate for reclassification.

Industrial uses abut portions of the Lincoln Park and Maryvale residential neighborhoods. Efforts must be made by businesses and residents to minimize the negative effects of this proximity. Screening with landscaping, walls and fences can mitigate negative visual blight and noise. Truck traffic is routed along the main arterial roadways and away from residential areas but enforcement is difficult.

Recommendations

1. Consider annexing industrial land in the City's designated growth areas.

2. Minimize negative impact of industrial and residential use proximity.
3. Evaluate amending the zoning ordinance to create a heavy industrial zone based on the County's I-2 zone to be applied along Southlawn Lane, north/east of Gude Drive.

